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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 11/18/08

INDEX:

- (1) LDP fears policy of delaying submission of second extra budget bill going off track [Asahi]
- (2) Dip in GDP for two straight quarters: Recovery unlikely before 2010 or later [Mainichi]
- (3) Tamogami essay shows SDF's longtime frustration [Asahi]
- (4) New phase for Japan and the United States; Differences in administrative bases evident [Asahi]
- (5) Whaling: Research without killing, Australia checks Japan [Asahi]
- (6) Sailing ceremony for research whaling cancelled this year [Asahi]
- (7) TOP HEADLINES
- (8) EDITORIALS
- (9) Prime Minister's schedule, November 17 [Nikkei]
- (10) Political Cartoon [Asahi]

ARTICLES:

- (1) LDP fears policy of delaying submission of second extra budget bill going off track

If the Democratic Party of Japan (DPJ) rejects taking a vote on a bill amending the New Antiterrorism Special Measures Law, the ruling camp will inevitably be pressed to review its Diet strategy. The Liberal Democratic Party (LDP) leadership fears, keeping in mind his stance of giving top priority to economic growth, that Prime Minister Aso would respond to the DPJ's call on the government to submit a second extra budget bill to the current Diet session. In an effort to avoid being pressed to dissolve the Lower House later this year, the leadership is eagerly charting a strategy.

LDP Diet Affairs Committee Chairman Tadamori Oshima met with former Chief Cabinet Secretary Nobutaka Machimura, former Secretary General Bunmei Ibuki, and Economy, Trade and Industry Minister Nikai in Tokyo last night. They agreed to continue to make efforts to push a budget bill for next fiscal year and a second extra budget bill through the Diet.

Many LDP members expect the government to decide to give up on submitting a second extra budget bill to the ongoing Diet session and to dissolve the House of Representatives in the spring or later after the next fiscal year budget bill clear the Diet. They fear that if this policy line also goes off track, the Aso administration may be unable to survive.

In the ongoing extraordinary Diet session, which is due to end on Nov. 30, the ruling camp has given top priority to enacting the refueling bill and a bill to strengthen financial functions. Based

TOKYO 00003175 002 OF 008

on the judgment that it is unnecessary to extend the session because the House of Councillors DPJ once promised to agree to take a vote on the bill by the end of November, the ruling side envisioned it would adjourn the current session on Nov. 30 and open the next ordinary Diet session in early January, when a second budget bill would be submitted..

If the extra budget bill is submitted to the ongoing session, the situation will inevitably turn into a quagmire. If so, the government might be driven to dissolve the Lower House later this year. In the snap election following the dissolution of the Diet, there will be little chance of winning for the ruling camp. The ruling side hopes to nip such a risky possibility in the bud.

If the DPJ toughens its posture and rejects voting on the two bills, it will become necessary for the ruling camp to consider the option of obtaining final Diet approval through a revote in the Lower House. The refueling bill cleared the Lower House on Oct. 21. Under the so-called 60-day rule, it becomes possible to bring the bill back into the Lower House for a revote on Dec. 20. If so, the Diet session will have to be extended up until late December.

In addition, if the DPJ resorts to a tactics to delay a vote on the bill to strengthen financial functions, which passed the Lower House on Nov. 6, it is impossible to take a revote before Jan. 5. To ensure the bill will be enacted, it will become necessary to extend the Diet session until early January. Since it is possible to extend an extraordinary Diet session twice, if the session is extended until late December first and then until early January once again.

The focus of attention is on whether the government would respond to the DPJ's call for submitting a second supplementary budget during the current Diet session.

LDP Diet Affairs Committee Chairman Oshima told his DPJ counterpart Kenji Yamaoka yesterday: "It is impossible to submit the bill during the current Diet session." If the session is extended to early next year, the DPJ will undoubtedly intensify its call on the submission of a supplementary bill. If the ruling side responds to the DPJ call, the DPJ will be given a chance to grill the government over a fixed-amount cash handout program, on which coordination in the government ran into trouble. In this case, the Diet would be thrown into confusion, and it would become more likely for the government to be pressed to dissolve the Lower House. The government and the

ruling camp have decided to forgo the planned dissolution of the Lower House within this year. The decision reflects their policy of protecting themselves by giving a boost to the Aso administration through the enactment of next fiscal year's budget bill and accumulated achievements in its summit diplomacy.

A senior government official also was negative about submitting the extra budget bill to the current Diet session, saying: "Even if the session is extended to late December, the government should not deliberate (on the refueling bill) and should take an override vote in the Lower House 60 days after the bill is sent to the Upper House." But how will the government be able to push the bill through the Diet while taking a protective stance? The government will likely find itself difficult to steer Diet business.

(2) Dip in GDP for two straight quarters: Recovery unlikely before 2010 or later

TOKYO 00003175 003 OF 008

MAINICHI (Page 9) (Full)
November 18, 2008

The gross domestic product (GDP in annualized terms) in real terms for the July-September fell for two straight quarters for the first time in about seven years. Many economists now subscribe to the severe view that the Japanese economy will not recover before 2010 or later. Exports and capital investment, the locomotives that drive the Japanese economy, are down and unlikely to recover soon. The economies of the U.S. and Europe also are likely enter a recessionary phase. The economies of emerging countries -- the last resort for growth in the global economy -- are also visibly slowing because of poor prospects for export growth.

The nation's GDP already substantially dipped as of the April-June quarter, marking a 3.7% drop from the preceding quarter in annualized terms. However, some market players took an optimistic view as of August this year, when the GDP figures for the April-June quarter were released, with one noting, "The economy will be on a mild recovery track by the spring of 2009."

However, the financial crisis has reached the real economy across the board. As a result, the economies of emerging countries, such as China and Russia, are also slowing at a pace much faster than expected due to the bursting of the crude oil, real estate and stock-price bubbles, as Shinya Ueno at Mizuho Securities put it. Almost no market players expect the government's economic pump-priming measures to produce results. Many take the view that the economy will continue its downward trend in the October-December quarter, when the impact of the global stock plunges and the sharp rise in the value of the yen will be spreading. The Japanese economy is in a situation where there is no exit from the recession.

(3) Tamogami essay shows SDF's longtime frustration

ASAHI (Page 15) (Full)
November 13, 2008

Toshiyuki Shikata, professor at Teikyo University and former Ground Self-Defense Force lieutenant general

That essay was inappropriate.

First of all, its timing was bad. "As there is a time to speak, so there is a time to keep silent." This is from the Bible. Even though the essay may be a manifestation of what was in his heart, there is a time to speak. It is inappropriate that Toshio Tamogami made public the essay he wrote as the incumbent in the top brass post of Air Self-Defense Force chief of staff.

In the Mongolian Invasions of the 13th century, a large number of Japanese people were killed by the allied forces of Mongolia and Goryeo. Today, however, there is no one that criticizes it. That is because a long time has passed and it has already become history. However, Japan's relations with China and South Korea in the 20th century are still vivid. There are also people still living who

experienced those days. One who is in a position as ASDF chief of staff should not have stated a view of history as he did in the essay. It was not in the national interest of Japan.

Second, there is a problem about procedures. Tamogami, based on the Defense Ministry's internal regulations, should have written to the

TOKYO 00003175 004 OF 008

chief of the Defense Minister's Secretariat for permission about his essay before contributing it. However, Tamogami assumed that since the essay was about his view of history, it had nothing to do with his duties as ASDF chief. He only told the chief of the Defense Minister's Secretariat about it. This is strange.

A view of history has something to do with his duty. The Self-Defense Forces' top echelon has had a hard time maintaining morale and keeping it high. So did I. SDF members are hard trained and told by their commanders to be prepared to die for their country in an emergency. A view of history is extremely important. Japan was a wicked country that did terrible things in the past... With such in mind, I wonder if young SDF members can proudly die for their country. We need fighter planes and missiles, but even before that, we need to elevate the morale of SDF members. We love our country and we are proud of our country. This kind of feeling cannot be nurtured by a masochistic view of history. The essay probably wanted to say that.

If Tamogami had asked the chief of the Defense Minister's Secretariat in written form for permission about his essay, his entry into the essay contest would have been halted by someone who would have noticed its inappropriateness. He might have been aware of that. There would have been no problem if he had contributed the essay after resigning as ASDF chief of staff. But then, no one would have paid attention. He was the top brass officer, so the essay drew public attention. In this sense, he might have been prepared to resign.

This incident was probably a great nuisance for the SDF. However, some personnel may have thought to themselves that he was right.

Then, the question is what to do. From the start, the SDF has been pent up for years. I think such pent-up feelings need to be wiped away.

To begin with, politicians should talk about a view of history with their own words. Whenever the prime minister changes, his successor only says he will follow the Murayama Statement, which recognized colonial rule and aggression. Even in the case of going along with it, why do they not speak of it as their own view of history?

What underlies the problem is the Constitution. The present Constitution does not define the SDF. Such a situation has lasted too long and created pent-up feelings. One idea is to amend the Constitution to expressly stipulate the SDF and its existence.

It is easy to denounce him for publishing such an essay as a problem about an individual who was ASDF chief of staff. This, however, will not dispel whatever it pent up in the SDF. I want the government to take a good look at what lies behind the problem and what underlies it.

Civilian control is a categorical imperative. Japan is a country under the rule of law, so we need the prime minister's leadership and a revision of the Constitutional. However, I wonder if there is an atmosphere within the SDF to freely allow them to make suggestions. The SDF, once ordered, will move in perfect order. However, the SDF must create a better climate for its members to be able to say things to their officers like "it might be better not to do so." They need the courage to admonish their officers.

TOKYO 00003175 005 OF 008

Shikata was born in 1936, and he filled the posts of GSDF Ground Staff Office Personnel Department director general, GSDF 2nd

Division commanding general, and GSDF Northern District Army commanding general.

(4) New phase for Japan and the United States; Differences in administrative bases evident

ASAHI (Page 4) (Abridged slightly)
November 18, 2008

By Hiroshi Hoshi, editorial writer

American people like playing on words. In footage on a rally celebrating the victory of President-elect Barack Obama, I saw a person wearing a T-shirt saying "Yes We Did" -- a play on Obama's slogan, "Yes We Can."

An American friend of mine once said to me, "Our strength comes from SMILE." It meant that screens (movies), military and money, Internet, law, and English have conquered the world.

* * * * *

The U.S. economy has deteriorated markedly due to the financial crisis triggered by the subprime loan problem. Confidence in the U.S. dollar -- the M in SMILE -- has dropped. The automotive industry is also having a hard time. An agreement was reached in think the crisis will come to an end so easily.

The views of America watchers on the future of that country are split. There is a theory that regards this as the beginning of the end of a unipolar world. The theory predicts that the power of the United States, which has neglected producing goods as a result of opting for the so-called Casino Capitalism [entailing such risk taking as pouring all one's funds, including pensions, into the stock market], will decline, and the influence of emerging nations, like China, and European countries will increase. Keio University Prof. Masaru Kaneko, a strong believer in this theory, noted: "The decline of the automotive industry that represents the oil civilization is a symbolic of the end of the hegemony of the United States."

At the same time, many observers think the United States will come back to life sooner or later. Sojitz Research Institute Executive Vice-President Tatsuhiko Yoshizaki said: "When an economic crisis occurs, a country that has democracy and a market economy is extremely resilient. Once the adjustment period is over, I believe the United States will bounce back quickly."

There is no doubt that Obama's United States is at a crossroads. Seeing his calm and reassuring manner during the presidential race, I felt that Obama would smoothly and steadily deal with outstanding issues. His smile was appealing, as well.

Japan's relationship between the United States is also expected to change significantly, for Japan will soon enter a new phase. From a short-term perspective, Japan has been pressed to cooperate to revive the slumping U.S. economy and to draw the United States toward a policy course of international cooperation with European nations and emerging countries in order to deal with such global issues as the environment and poverty from a mid to long-term

TOKYO 00003175 006 OF 008

perspective. The question is whether the Aso administration is capable of performing such a difficult task.

The clear difference between Obama's United States and Aso's Japan is the footing of their respective administrations. Obama garnered 66 million votes. Democrats have gained control of both the Senate and the House of Representatives. Aso's ruling bloc lost its majority in the latest Upper House election. The Lower House has not been dissolved for a general election under the two previous administrations and the Aso administration.

Flip-flops over a fixed-sum cash-handout program, which was supposed to be a showcase of the economic stimulus package, have exposed the administration's weak foundation. The idea of a second supplementary

budget to shore up the economy was something that never once occurred to most lawmakers and bureaucrats, who had expected Lower House dissolution and a general election either in October or November. Even so, the cash-handout program has followed an extremely rough path.

The Aso administration's weakness stems from its disregard for the public will. To rectify that, there is no other option but to swiftly dissolve the Lower House and let an election establish an administration that reflects the popular will. An early dissolution of the Lower House is key to stimulating the domestic economy, as well as building a new Japan-U.S. relations.

(5) Whaling: Research without killing, Australia checks Japan

ASAHI (Page 34) (Full)
November 18, 2008

Akihito Sugii, Singapore

Australian Environment Minister Garrett on November 17 announced that Australia will conduct on its own a scientific ecological whale survey without killing them. The country will invest approximately 6 million Australian dollars (approximately 370 million yen), which also covers the cost of developing research technology. Garrett explained, "The project is part of the government policy of stopping Japan's research whaling."

The environment minister insisted that it is possible to conduct ecological research on whales, by such means as sonic research and aerial inspection. He then added, "The Australian government believes that it is not necessary to kill whales in understanding whales' ecological system." He noted that Australia will call on members of the International Whaling Commission (IWC), including Japan, to take part in its research.

According to Australian AAP, regarding whether Australia will send a patrol ship to track Japan's research whaling, as it did last year, the environment minister told reporters, "We have yet to make up our minds."

(6) Sailing ceremony for research whaling cancelled this year

ASAHI (Page 34) (Full)
November 18, 2008/11/18

Japanese ships that carry out research whaling in the Southern Ocean, hold a sailing ceremony every year in Shimonoseki City,

TOKYO 00003175 007 OF 008

Yamaguchi Prefecture. However, Asahi Shimbun learned on November 17 that there would be no sailing ceremony this year. The reason for the cancellation of the ceremony is to prevent sabotage by anti-whaling organizations, which became an issue last year. Now is the time for whaling vessels to leave the port. An official of the Fisheries Agency Far Seas Fisheries Division said, "We cannot even reveal whether vessels have left port or not."

Mayor Kiyoshi Ejima revealed at a press conference that the sailing ceremony was cancelled. He said, "In my view, it is regrettable. However, research whaling suffered major damage from acts of obstruction. We must pour our energy to ensure safety and a piece of mind in implementing research whaling."

(7) TOP HEADLINES

Asahi & Sankei:
Extension of Diet session unavoidable

Mainichi:
Calls growing for extending Diet session

Yomiuri & Tokyo Shimbun:
Democratic Party of Japan to reject taking vote on refueling bill

Nikkei:

Eight countries in Asia plus Australia to join hands in trade reinsurance

Akahata:

Only 28% of applicants remitted all tuition fees at national universities

(8) EDITORIALS

Asahi:

(1) Negative GDP growth: Government urged to chart strategy to survive recession

(2) Policies, political situation under Aso administration remain confused

Mainichi:

(1) Japan, U.S., and Europe in recession: Boost public works spending to buoy economy

(2) Set up system to prevent drunk driving

Yomiuri:

(1) Negative GDP growth urges for policy switch

(2) Hit-and-run accident a vicious crime that leads to murder

Nikkei:

(1) Make full preparations for prolonged global recession

(2) We expected both ruling, opposition camps to prioritize policies over Diet dissolution

Sankei:

(1) Diet dissolution should not be opted for now

(2) Hit-and-run accident a heinous crime equivalent to murder

Tokyo Shimbun:

(1) Its' not time for Aso, Ozawa to engage in tactful game

(2) Aso government urged to come up with economic stimulus measures

TOKYO 00003175 008 OF 008

Akahata:

(1) Negative GDP growth: Take measures to support family budgets

(9) Prime Minister's schedule, November 17

NIKKEI (Page 2) (Full)

November 18, 2008

10:04

Had a walk around his private residence in Kamiyamacho.

12:28

Signed in at the Imperial Palace to report his return.

14:30

Met Deputy Chief Cabinet Secretary Uruma at the Kantei.

15:00

Met Chief Cabinet Secretary Kawamura, followed by Japan Junior Chamber President Yoshihiko Oda and others.

16:13

Met Gifu Gov. Yoshida, followed by LDP Secretary General Hosoda and Diet Affairs Committee Chairman Oshima. Afterward handed a letter of appointment to Cabinet Councilor Toyoda in the presence of Hosoda and others.

17:44

Met Kawamura at the Kantei joined in by Hosoda.

17:59

Held talks with DPJ President Ozawa in the presence of Hosoda, DPJ Secretary General Hatoyama, Diet Affairs Committee Chairman Yamaoka, and Lower House member Tenzo Okumura.

18:29

Met Kawamura and Hosoda.

19:07

Met at his official residence LDP General Council Chairman Sasagawa, his deputy Funada and others, in the presence of Kawamura and Hosoda.

20:36

Returned to his private residence.

SCHIEFFER